

Compliance Loan Program Application

The undersigned (whether one or more, “**Owner**”) hereby represent and warrant to the City of Milwaukee the following information set forth below, and that the same is true and correct. Owner hereby applies to participate in the City of Milwaukee’s Compliance Loan Program, Common Council File No. 130940.

Property Information

Property Address:	
Zip Code	
Tax Key:	- -
Date Property was Purchased:	/ /

Ownership

Property is:	<input type="checkbox"/> Owner-Occupied Single Family	<input type="checkbox"/> Owner-Occupied Duplex
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Owner 1

Name:	
Home Phone Number:	() -
Cell Phone Number:	() -
Email Address:	
Date of Birth:	/ /

Owner 2 (If Applicable)

Name:	
Home Phone Number:	() -
Cell Phone Number:	() -
Email Address:	
Date of Birth:	/ /
Ownership Type:	<input type="checkbox"/> Joint Tenants <input type="checkbox"/> Marital Property <input type="checkbox"/> Other:

List all owners appearing on the property deed. Attach an additional sheet of paper if necessary.

Occupants

Besides the named Owners listed above, list all other occupants of the Property who reside with Owner:

Name:	
Age:	
Relationship to Owner:	
Place of employment:	
Student?	
Annual Income:	\$
Name:	
Age:	
Relationship to Owner:	
Place of employment:	
Student?	
Annual Income:	\$

If additional occupants are living at the Property, please attach a separate page listing all occupants.

Animals

Please list any animals living at the property:	

Demographics

Providing answers to these demographic questions is not required and is purely optional; any answer provided will not be factored into decision-making on the application and will only be used for overall program data purposes.

Applicant: I do not wish to give this information _____ (Initial)

Co - Applicant: I do not wish to give this information _____ (Initial)

<u>Applicant</u>	
<u>Gender:</u>	
Black/African-American	
Hispanic	
White	
Asian	
Black/African-American & White	
American Indian/Alaska Native	
Native Hawaiian/ Other Pacific Islander	
American Indian/Alaska Native & White	
American Indian/Alaska Native & Black/African-American	
Asian & White	
Other/ multi-racial	

<u>Co - Applicant</u>	
<u>Gender:</u>	
Black/African-American	
Hispanic	
White	
Asian	
Black/African-American & White	
American Indian/Alaska Native	
Native Hawaiian/ Other Pacific Islander	
American Indian/Alaska Native & White	
American Indian/Alaska Native & Black/African-American	
Asian & White	
Other/ multi-racial	

Rental Status

If the Property is a Duplex with a tenant, please list tenant information below.

Tenant Name:	
Move in Date:	
Phone Number:	
Unit Occupied (Upper, Lower, Unit A, Unit B, etc.)	

List additional tenants on an attached sheet of paper if necessary.

Household Income

Household members MUST include proof of ALL sources of income for ALL household members. Acceptable proof of income includes, but is not limited to: most recent income tax returns, W2 forms, 2 most recent paycheck stubs, pension statements, SSA & SSI award letters, rental income, or annuity statements.

Household Member Name	Source of Income Example: Wages, Unemployment Benefits, Pensions, Social Security, Child Support, Rental Income, etc....	Gross Annual Amount of Income
Example: Jane Smith	Example: Johnson Controls Salary	Example: \$16,834
Example: John Doe	Example: Social Security	Example: \$7,632

List any other income sources and amounts on an attached sheet of paper if necessary.

Estimated Annual Income for Entire Household: * <u>THIS SECTION IS REQUIRED.</u>	\$
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Assets**Household Member 1**

Type of Asset	Institution	Asset Value
Savings Account:		\$
Checking Account:		\$
Stocks:		\$
Bonds:		\$
Mutual Funds:		\$
Other:		\$

Household Member 2

Type of Asset	Institution	Asset Value
Savings Account:		\$
Checking Account:		\$
Stocks:		\$
Bonds:		\$
Mutual Funds:		\$
Other:		\$

Other Valuable Household Assets (Automobiles, Boats, Other Valuables of Significant Worth)

Type of Asset	Description: Model, year, or other important information	Value
Automobile:		
Other:		

List other valuables on an attached sheet of paper if necessary.

Debt**Household Member 1**

Type of Debt	Institution	Current Debt Amount
Credit Card:		\$
Mortgage:		\$
Student Loan:		\$
Private Lender:		\$
Other :		\$

Household Member 2

Type of Debt	Institution	Current Debt Amount
Credit Card:		\$
Mortgage:		\$
Student Loan:		\$
Private Lender:		\$
Other :		\$

Real Estate

Do any Household Members own real estate other than the address listed on Page 1 of this Application? Check Box:	<input type="checkbox"/> Yes <input type="checkbox"/> No
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If Yes, please list additional property information below:

Address:	
Current Value:	
Mortgage Amount:	
Are property taxes current?	<input type="checkbox"/> Yes <input type="checkbox"/> No

List information for additional properties on an attached sheet of paper if necessary.

City Judgment

Does the City of Milwaukee have an outstanding Court judgment against any owner? (☐ Yes / ☐ No) If

Yes, explain: _____

Mortgage Foreclosure

Is Owner subject to any mortgage foreclosure action currently pending? (☐ Yes / ☐ No)

If Yes, explain: _____

Mortgage Status

Is Owner current on all mortgage loans against all real estate owned by Owner? (☐ Yes / ☐ No)

If No, explain: _____

Bankruptcy/Receivership

Is Owner currently in an active bankruptcy or receivership action in any State or Federal Court? (☐ Yes / ☐ No)

If Yes, explain: _____

Credit Check

By signing below, Owner authorizes City to obtain credit reporting information concerning Owner and Owner's financial status.

Owner Acknowledgement

Owner understands that the Compliance Loan Program requires: City approval of this application (which is in City's sole discretion) and City acceptance of Owner into the Program (which is in City's sole discretion); Owner to sign a Loan Agreement with City; and Owner to give a mortgage in the Property to City. If City approves Owner's application and participation in the Program: City will notify Owner and present a Loan Agreement to Owner; Owner will allow City and its agents and contractors to enter the Property to perform work required by the DNS Orders; and Owner will pay City for the cost of that work whenever Owner conveys the Property to another, and as otherwise required by the terms of the Loan Agreement.

Subordination

If Owner and City do enter a Loan Agreement under the Program, after Owner gives City a Mortgage in the Property, the City Dept. of Neighborhood Services ("DNS") will consider, in its discretion, requests for subordination of Owner's Mortgage to the City. The Mortgage will contain a self-subordination clause allowing Owner to refinance a purchase money mortgage debt to a federally-insured financial institution with that same institution in order to reduce Owner's overall liability for the underlying debt. Requests for subordination shall be in writing and be sent to DNS, Attention Compliance Loan Program, 841 North Broadway, Room 105, Milwaukee, WI 53202, and include: terms and conditions of the existing loan; lender under existing loan and contact person; terms and conditions of the desired loan, lender and contact person for lender; current title company commitment showing status of title; and such other documents and information as DNS shall request.

Signing; Truthful Representations

By signing below, all Owners swear to the truth of all the above representations and warranties. If any of the above is discovered to be untrue, Owner's application shall be rejected and Owner shall not be allowed to participate in the Program. Or, if Owner's application has already been accepted and Owner has been approved for the Program, City shall have no further duty to take further actions under the Compliance Loan Program, no further duty to make any improvements, or to perform or complete Work, and the right to declare all amounts due under any Loan Agreement or Mortgage to be immediately due and payable.

DATED: _____, 20__

OWNER	OWNER
/x/	/x/
Name	Name
Printed: _____	Printed: _____
Phone: _____	Phone: _____

Return application to:
Keishla Ortiz-Delgado
Department of Neighborhood Services
841 North Broadway, Room 104
Milwaukee, WI 53202
clp@milwaukee.gov
(414) 286-2567

Compliance Loan Program - Terms

Loan Information

Loan type: Deferred Payment Loan (DPL)

Interest rate: Zero percent (0%)

Payment: No monthly installment payments will be accepted, loan is payable upon sale or transfer of property ownership. There is no prepayment penalty. However, payment must be paid in full.

Secured: Property owner(s) will be required to sign a mortgage securing the loan.

Maximum Loan Amount: \$15,000.00

Minimum Loan Amount: \$1,000.00

Fee*: \$125.00 Administrative fee to cover credit reports and recording charges.

*Fee can be included in the loan amount (cannot exceed maximum loan amount).

Eligibility Requirements

- 1) Owner occupant of a single family or duplex property.
- 2) There exists an observable code violation under s. 200-12, 200-12.5 or ch. 275.
- 3) Total Household Income must be no greater than 60% Area Median Income (AMI) as determined annually by the U.S. Department of Housing and Urban Development.

2020 HUD Income Limits	
<u>Persons in Household</u>	<u>60% AMI</u>
1	\$35,220
2	\$40,260
3	\$45,300
4	\$50,280
5	\$54,360
6	\$58,380
7	\$62,400
8	\$66,420
AMI = Area Median Income	
Persons in Household = Total number of people living in household	

- 4) Property taxes on all property owned by the applicant must be paid in full or on an approved payment plan.
- 5) The total cost of repairs to correct all of the outstanding code violations cannot exceed the loan maximum and is greater than the loan minimum.
- 6) Owner cannot be in bankruptcy, an application may be considered if the owner is on a current Chapter 13 payment plan and the trustee provides written approval.
- 7) Property cannot be in foreclosure, outstanding mortgage(s) payments must be current.
- 8) Utility payments must be current (WE Energies, water bill, etc.)
- 9) Applicants must sign an application form authorizing DNS staff to access their credit history and agree to provide all required documentation necessary to determine program eligibility.
- 10) Program funding is limited, not all eligible applicants will be served.

Application Review

DNS staff will review completed applications once all necessary documentation has been submitted by the applicant. Household income will be based on the total annual income from all members of the household. Applicants will be required to submit proof of income for each working member of the household, i.e. wage statements, pay stubs, tax returns, SSI statements, W 2 statements, etc. Depending on the sources of income, additional documentation may be required.

Note: Household income must include all owners of the property even if they don't reside at the property.

Applicants who have provided all required documentation and have been certified as eligible by DNS staff will be considered for service.

Service selection process

Only a limited number of applicants will be served. Service Selection will be based on available funding, the extent to which providing the service will meet City's goals of protecting the health, safety and welfare of the public, reducing neighborhood blight, reducing potential abandonment and tax foreclosure. The selection process will consider an applicant's ability to correct the violations, options to resolve the code violations through other methods or programs, applicant's current and potential income, loan to value ratio, ability to continue residing in the property, previous DNS enforcement history, and other relevant factors.

To receive service, the applicant must agree to sign mortgage documents securing a lien against their property in the amount equal to the cost of repairs plus the \$125 administrative fee. The mortgage documents will be recorded with the County Register of Deeds.

Work

Scopes of work will be created by DNS. The scope will be limited to the work necessary to correct current building code violations. All work will be performed by licensed contractors and at the direction of DNS staff. Permits, where necessary, will be obtained prior to starting work.

DNS inspectors will inspect and approve all work. The completion of the scope of work will result in the correction of the code violations. Contractors will be required to warrant their work for one year.

Contact: Department of Neighborhood Services

Keishla Ortiz-Delgado

414-286-2567

clp@milwaukee.gov

Frequently Asked Questions

What is the purpose of the Compliance Loan Program?

The Compliance Loan Program aims to help homeowners get the funds necessary to correct code violations and avoid further enforcement action from the Department of Neighborhood Services. This protects neighborhoods from blight and foreclosures and also preserves the property value of nearby houses.

What if I'm not current on my taxes or mortgage?

Since the loan is secured through a mortgage, the City must be reasonably certain foreclosure is not likely. For this reason, it is required that property taxes and mortgage payments be current. In extreme circumstances, payment plans may be considered. However, the usual course of action will be to refer a delinquent owner to services that can help the individual get caught up on these debts before moving forward with the CLP process.

What if I don't meet some other requirement?

The requirements listed are what is expected of most candidates to qualify for CLP funding. The Compliance Loan Program serves a specific function within the larger context of City resources available to homeowners. Individuals who do not meet the listed requirements will most likely not qualify for CLP services. However, homeowners looking for help are still encouraged to contact CLP staff who can provide contact information for other resources available in the community.

What types of income should I report?

Any form of income for any household occupant must be reported. This includes wages, rent, Social Security payments, pension payments, and any other money a person earns. This includes children living at the property. Submit a formal record of the payment, not a bank report showing deposits and withdrawals.

Who counts as an occupant?

Any person using the property as their main place of residence should be included as an occupant and must report their income. If the stay is only temporary, the person does not need to be included. For example, if a family member is staying with you for a month before moving somewhere else, they need not be reported as an occupant.

Is there any interest or hidden fees?

There is no interest on the loan. A loan of \$10,000 today will require a payment of \$10,000 upon transfer of the property, no matter how far in the future such a transfer takes place. There is an administrative fee of \$125. This fee can be included directly in the loan amount, so long as the total stays below the \$15,000 limit. This would mean homeowners pay \$0 up front for the repairs needed on their property.

Can I use my own contractor?

The City has several construction firms under contract to perform work for CLP. Program staff will assign the contractor best able to perform the work in a timely manner. This ensures work stays up to CLP standards and that only properly licensed and insured contractors are used.

What does it mean to have the City place a lien on my property?

The word "lien" is a legal term often used in real estate finance. In this instance, the lien on the property is nothing more than a mortgage agreement. By attaching a mortgage to the property, the City is securing a legal means of obtaining the loan payment when the property is sold. For this reason, the mortgage lien described in the attached documents should not carry with it the possible negative credit score effects of other liens. However, every person's credit situation is unique and the City encourages every individual to survey their financial situation before agreeing to any loan program.

Will the loan affect my current mortgage?

This loan is designed to be as favorable as possible. Therefore, special language is included in the loan documents

stating that the loan is second to any current financing you have on the property. This is meant to ensure CLP loans do not have any negative impact on a homeowner's ability to finance their home.

Do I need to make any monthly payments?

No monthly payments will be accepted. DNS does not have the staff of a bank, and cannot handle the administrative load of processing many different home owners making monthly payments.

Can I pay back my loan early?

Yes. Loans may be paid back early, so long as they are paid in full. This means you must make a one-time payment for the entire sum of the loan. There is no penalty for early repayment of the loan.

What if my children or grandchildren inherit my property?

If your children or grandchildren inherit your property, the transaction is specifically exempt from being considered a transfer requiring repayment of the loan. Instead, the child or grandchild receiving the property would have the same deal as the original homeowner. They would only pay back the loan once they sold the property. For instance, if you have a \$10,000 loan and your children inherit the property, they would not be required to immediately repay the loan. However, if your children then sold the property, they would pay back the loan amount at that time.

What kind of work can be done through the program?

The Compliance Loan Program will perform any work necessary to abate open orders and code violations on a property. CLP functions as a repair program, not a remodeling program. Only renovations necessary to correct building code violations will be performed. For instance, a homeowner with an order to repair their roof may qualify for CLP. If that same homeowner wanted their bathroom repainted, they would need to do so on their own time and with their own money.

Who is in charge of running the project?

A City of Milwaukee CLP Inspector will create a unique Scope of Work for each project. The Scope dictates exactly what work will be done. Once work begins, the CLP Inspector serves as the project manager and oversees the work.

What are my responsibilities while work is in progress?

In order for work to progress smoothly, homeowners should keep the work areas clean and free of debris, allow access to workers during normal work hours, secure any pets, and allow workers access to electricity and water. These are standard expectations for any renovation project.

What kind of materials will be used?

Contractors will use in-stock materials from their normal building materials supplier. This ensures that projects have quality materials at a price that does not cause undue expenses. Special order, second-hand, or luxury materials will not be used.

What if I'm not satisfied with the work?

Homeowners sign a contract with the construction company before work begins. CLP provides financing and Inspector oversight for all work to be completed. Inspectors have high standards of quality which must be met on each and every project. Inspectors will always ensure the work is up to code. Contractors only receive payment once the CLP Inspector approves the work and signs off on closing any open building code violations. If homeowners have additional concerns or requests after the Inspector signs off on the work, they have all the legal means of recourse available to homeowners under traditional private contracts to settle the matter with the construction company.

If you have any other questions, please call Keishla Ortiz-Delgado at 414-286-2567 or email clp@milwaukee.gov for assistance.



Housing

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One click to resources!

milwaukee.gov/HousingHelp

homeowners
home buyers
investors/non-profits

Milwaukee Homeowners Do you need help making repairs to your home?

From replacing a roof to making energy efficient improvements, below is a list of City housing programs that provide resources to help Milwaukee homeowners make repairs to their home.

Resources for Homeowners

STRONG Homes Loan

The STRONG Homes Program offers low interest and deferred loans of up to \$20,000 to owner occupants to make emergency and essential home repairs. After 10 years, 25% of loan is forgivable. Technical assistance is provided in preparing a scope of work for the property, obtaining bids and managing the construction process.

(414) 286-5610

Home Rehabilitation Loan Program

The Home Rehabilitation Program offers 0% interest and deferred payment home rehab loans to income qualified owner-occupants. Property must be located in a City Targeted Investment Neighborhood (TIN). Technical assistance is provided in preparing a scope of work for the property, obtaining bids and managing the construction process. See a list and map of TINs at Milwaukee.gov/TINS.

(414) 286-5610

\$1 Vacant Side Lot

Do you have a City-owned vacant lot next to your home? If so, you may be able to buy the lot and combine it with your property for added yard space. PLEASE NOTE: Only lots that have no development potential are available for \$1. Other lots may be available for \$100-\$500. **(414) 286-5762**

Window Replacement - Lead Poisoning Prevention

Do you own property built before 1950 in the 53204, 53205, 53206, 53208, 53209, 53210, 53212, 53215 or 53216 zip codes? If you have children under 4

years old, or are pregnant, you may be eligible to receive up to \$370 per window to replace lead-based painted windows. An additional \$5,000/unit is available to address environmental asthma triggers if anyone 2-40 years old has asthma.

(414) 286-5987

Neighborhood Improvement Project (NIP)

The NIP Program assists eligible homeowners in repairing their homes. Eligible work includes code violations, maintenance and mechanical work. Assistance is provided by local NIP Service Agencies, working with local contractors. **(414) 286-2163**

Compliance Loan Program (CLP)

The Compliance Loan Program provides 0% interest deferred payment loans to assist eligible homeowners in making repairs to fix code violations on their homes. Homeowners must have outstanding code violations and meet income guidelines to qualify for the program. Assistance is provided in selecting a contractor and monitoring work. **(414) 286-2567**

Me2 Energy Efficiency Program

Me2 makes it easy and affordable to make energy-saving upgrades such as insulation, air sealing, furnaces, boilers, hot water heaters, air conditioners, and now, windows! Summit Credit Union provides low-interest loans up to \$15,000 for eligible home improvements. Single-family home, duplex, or triplex (3 units or less). Investors must be owner-occupants. **(414) 286-3351**

Milwaukee Shines

Whether you are a homeowner or run a business, there are financing options available to help you pay for your solar installation. Milwaukee Shines has partnered with Summit Credit Union to offer low-interest solar loans to Milwaukee homeowners.

(414) 286-5593

Lead Service Line Replacement

If your lead water service line needs to be replaced due to leaking, damage during planned construction, or because the City owned section is being replaced, the City will notify you and work with you on the replacement. The City offers special assessment financing as well as cost-share for the owner's part of the line replacement for properties with 1 to 4 dwelling units.

(414) 286-2830

Take Root Milwaukee

Take Root Milwaukee (TRM) is a resource that connects people to local, low-cost and trustworthy organizations that can help them either buy a home or keep their home. TRM includes over 52 individuals and groups active in the home ownership sector such as housing counseling agencies, financial institutions, Realtors, local government, neighborhood organizations and other community partners – all working together to promote sustainable home ownership. **(414) 921-4149**

For more detailed info, and a list of other housing resources in the community, visit: milwaukee.gov/housinghelp